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TO AMCONSUL JOHANNESBURG

C O N F I D E N T I A L STATE 199738

FOR SWEETWOOD

FOLLOWING REPEAT LUBUMBASHI 0791 SENT ACTION SECSTATE INFO KINSHASA,
PARIS, BRUSSELS, LONDON 05 JUL 78

QUOTE C O N F I D E N T I A L LUBUMBASHI 0791

E.O. 11652 GDS

TAGS: EMIN, EFIN, MOPS, CG

SUBJECT: STATUS OF KOLWEZI MINES: II OF III: GECAMINES PRELIMINARY
REPORT OF LOSSES

REF: KINSHASA 6676(NOTAL)

1. SUMMARY: IN PREPARATION FOR IBRD MEETING GECAMINES (GCM)
PREPARED PRELIMINARY STUDY OF LOSSES RESULTING FROM ATTACK
AT KOLWEZI. TOTAL DAMAGE IN KOLWEZI ESTIMATED AT \$56.9 MILLION
OF WHICH DAMAGE TO GCM PLANT AND EQUIPMENT WAS ONLY (8Y
BILLION. REMAINING LOSSES INCLUDED DAMAGE TO BUILDINGS AND
HOMES OWNED BY GCM AND THIRD PARTIES AND LOOTING
OF COMMERCIAL, INDUSTRIAL AND PERSONEL PROPERTY. END SUMMARY

2. IN PREPARATION FOR MEETING WITH IBRD IN PARIS ON JUNE
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PAGE 02 STATE 199738

26, GECAMINES MADE STUDY OF LOSSES AT KOLWEZI. SUMMARY
REPORT, DATES JUNE 22 PROVIDED DLLAR ESTIMATE OF DAMAGE
ACCOMPANYING ANNEXES PROVIDED FURTHER DETAILS ALTHOUGH
SOMETIMES WITH CONFLICTING OR QUESTIONABLE DETAILS. SUMMARY REPORTS
ESTIMATES TOTAL DAMAGE IN KOLWEZI AT
\$56.9 MILLION OF WHICH GCM PLANT AND EQUIPMENT
ACCOUNTED FOR \$8.6 MILLION, GCM OWNED BUILDINGS AND

FURNISHING AS WELL AS PERSONAL PROPERTY OF GCM EMPLOYEES
ACCOUNTED FOR \$31.6 MILLION. AND THIRD PARTY LOSSES
ACCOUNTED FOR \$16.7 MILLION

3. ANALYSIS OF ESTIMATED \$8.6 MILLION DAMAGE TO GCM
INSTALLATIONS AND EQUIPMENT IS AS FOLLOWS

A. COMPANY VEHICLES EITHER STOLEN OR REQUISITIONED
AND NEVER RETURNED. VALUE OF 137 MISSING VEHICLES AND
COST OF REPAIRS TO VEHICLES ALREADY RECOVERED IS ESTIMATED
AT \$5.2 MILLION. NO HEAVY MINING EQUIPMENT WAS
LOST. LOST VEHICLES INCLUDED CARS, PICK-UPS AND
HEAVY DUTY MINING TRUCKS. 39 OF THESE VEHICLES WERE REQUISITIONED
BY FAZ FROM NON-KOLWEZI GCM INSTALLATION AND
NEVER RETURNED.

B) STOLEN TOOLS AND EQUIPMENT AT GCM KOLWEZI IN
INSTALLATIONS VALUED AT ABOUT \$1.8 MILLION, INCLUDING
OFFICE EQUIPMENT, SURVEYING EQUIPMENT, WORKSHOP TOOLS
SPARE PARTS, AND CONSTRUCTION MATERIALS.

C) FACTOR LOSSES WERE ESTIMATED AT ONLY \$.8
MILLION, OF WHICH COPPER AND COBALT LOST IN SOLUTION
WHEN THE LULU PLANT WAS CLOSED WERE VALUED AT \$.5
MILLION. MINOR DAMAGE AT THE UZK ZINC PLANT IN KOLWEZI
AND WAR-RELATED BREAKDOWN AT THE SULFURIC ACID PLANT
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PAGE 03 STATE 199738

IN LIKASI WERE THE ONLY LOSSES AT ANY OF THE GCM
FACILITIES

D) INDIRECT COSTS RELATED TO BROKEN CONTRACTS
AND CONSERVATION MEASURES AT THE P-2 EXPANSION PRO
JECT WERE ESTIMATED AT \$.7 MILLION.

4. ANALYSIS OF ESTIMATED \$31.6 MILLION LOSS TO GCM
OWNED RESIDENCES AND BUILDINGS COMPANY FURNISHINGS
AND PERSONAL PROPERTY OF EMPLOYEES AS FOLLOWS

A) DAMAGE TO GCM OWNED RESIDENCE AND BUILDINGS
ESTIMATED AT \$14.3 MILLION, OF WHICH \$10.6 TO 1144
COMPANY OWNED HOUSES, \$3.6 MILLION TO 250 NEW HOUSES
IN P-2 EXPANSION AREA, AND \$.1 MILLION TO MESS HALLS,
QUEST HOUSES AND SCHOOLS. AVERAGE EXTENT OF DAMAGE
PER HOUSE RANGED FROM ONE NEIGHBORHOOD TO THE NEXT
BETWEEN \$3,000 TO \$44,000 PER HOUSE. BUT AVERAGE WAS
ABOUT \$10,000 FOR ALL COMPANY HOUSES

B) LOSSES OF GCM OWNED FURNISHINGS ESTIMATED AT
\$6.5 MILLION OF WHICH \$6 MILLION FROM 100 PILLAGING

OF HOUSES IN P-2 EXPANSION AREA. REMAINING \$.5 MILLION
WAS LOSS OF FURNISHINGS IN QUESTS HOUSES AND DSS HALLS.

C) LOSSES OF PERSONAL PROPERTY TO GCM EMPLOYEES
WAS ESTIMATED AT \$10.8 MILLION OF WHICH PROPERTY
BELONGING TO EXPATRIATES WAS VALUED \$7.6MILLION. THAT
BELONGING TO ZAIRIAN CADRE AT \$2.5 MILLION AND THAT

BELONGING TO CONTACT EMPLOYEES ON THE P-2 PROGRAM AT
\$.6 MILLION. GCM ESTIMATED THAT AVERAGE EXPATRIATE
AND AVERAGE ZAIRIAN CADRE WHO LOST EVERYTHING SUFFERED
LOSSES VALUED AT \$19,920 AND \$8,670 RESPECTIVELY SINCE
PILLAGING WAS NOT TOTAL IN ALL AREAS, GCM ESTIMATED
THAT AVERAGE LOSS FOR EXPATRIATE WAS \$16,686 AND
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PAGE 04 STATE 199738

FOR ZAIRIAN CADRE WAS \$3.631

5. LOSSES TO OTHER INDUSTRIAL, COMMERCIAL AND PRIVATE
PROPERTY WERE MUCH MORE DIFFICULT TO ESTIMATE. GCM
SUMMARY REPORT ESTIMATED THESE LOSSES AT \$16.7 MILLION
ANALYSIS AS FOLLOWS

A. DESTRUCTION TO COMMERCIAL BUILDINGS, INDUSTRIAL
PLANTS, SCHOOLS AND PRIVATE RESIDENCES WAS ESTIMATED AT
\$6.1 MILLION. DAMAGE CONSISTED OF ROCKET OR MORTAR
HITS AGAINST SOME BUILDINGS AND BULLET HOLES, BROKEN
WINDOWS AND DESTROYED GRILLWORK OF MANY OF THE EST

B) LOSSES FROM LOOTING OF STORES AND FACTORIES
WERE ESTIMATED AT \$10.6 MILLION, OF WHICH \$5.8 MILLION
FROM COMMERCIAL PROPERTY AND \$4.8 MILLION FROM
INDUSTRIAL PROPERTY.

C) ALTHOUGH SUMMARY REPORTS OMITTS ESTIMATE OF
PERSONAL PROPERTY LOST BY NON-GCM RESIDENTS OF KOLWEZI
EVALUATION TEAM MADE SUCH AN ESTIMATE WHICH
APPEARED IN ANOTHER SECTION OF THE REPORT. GCM TEAM
ESTIMATED THAT LOSSES OF FURNISHINGS, EQUIPMENT SUPPLIES
AND PERSONAL POSSESSIONS SUFFERED BY OWNERS
OF STORES AND FACTORIES SCHOOL AND OTHER KOLWEZI
RESIDENTS WERE VALUED AT \$3.9 MILLION.

D) REPORT ALSO NOTED THAT AT WASELA THE COMMUNITY
ALONG THE LAKE OUTSIDE KOLWEZI WHERE MANY RESIDENTS HAD
VACATION HOMES 400 HOUSES WERE TOTALLY LOOTED AND 300
BOATS WERE DESTROYED. REPORT DID NOT GIVE AN ESTIMATE
OF VALUE OF THIS LOSS. GCM STAFF HAS NOTED THAT NEITHER
FLNC NOR FAZ WAS ACTIVE IN THE AREA NEAR THE LAKE. ALL
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PAGE 05 STATE 199738

PILLAGING IS THOUGHT TO HAVE BEEN CONDUCTED BY ZAIRIAN RESIDNETS OF NEARBY VILLAGES.

6. COMMENT: NEAR TOTAL ABSENCE OF DAMAGE TO GCM IN STALLATIONS PROVIDES EVIDENCE THAT FLNC DID NOT INTEND SABATAGE OF ZAIRES MOST PROFITABLE COMPANY. ANNEXES TO REPORT NOTE THAT ACCIDENTAL DAMAGES WAS HELD TO A MINIMUM BY EXPATRIATE AND ZAIRWIAN EMPLOYEES WHO STAYED ON THE JOB DURING THE ATTACK OR TURNED OFF EQUIPMENT IN GRADUAL MANNER. GREATEST PORTION OF LOSSES RESULTED FROM LOOTING TO EXPROPRIATION OF GOODS. EITHER BY INVADERS OR FAZ. REPORT NOTED LOSSES OF GCM VEHICLES (\$5.2 MILLION) GCM TOOLS AND EQUIPMENT (\$1.8 MILLION) GCM OWNED FURNISHINGS (\$6.5 MILLION) PERSONAL PROPERTY OF GCM EMPLOYEES(\$10.8 MILLION) AND COMMERCIAL AND INDUSTRIAL GOODS \$10.6 MILLION) TOTALLED \$34.9 MILLION OR 61 PC OF ALL LOSSES. IN ADDITION SIGNIFICANT PORTIONOF DAMAGE TO HOMES,STORES AND OTHER FACTORIES WERE BULLET HOLES IN FACADE AND BROKEN WINDOWSN AND GRILLWORK CAUSED BY LOOTING ACTIVITIES.

7. REPORT WHICH WAS PREPARED IN GREAT RUSH NOTES DIFFICULTY IN ACQUIRING DETAILED INFORMATION. IN PARTICULAR THE ANNEX WHICH DESCRIBED THE DAMAGE TO RESIDENCES AND PERSONAL PROPERTY IS CONSIDERED INCOMPLETE AND ONLY REPRESENTATIVE OF A GENERAL VIEW. TO PREPAR RDPORT SURVEY TEAM DIVIDED TOWN OF KOLWEZI INTO SECTIONS, ESTIMATED GENERAL DAMAGE IN SAMPLING OF BUILDINGS AND MADE PROJECTIONS FOR ENTIRE AREA. INSOME CASES THE ESTIMATES SEEM VERY HIGH, BUT OTHER HEAVILY DAMAGED AREAS ARE OMITTED. THE TEAM HAD VERY LITTLE INFORMATION ABOUT THE VALUE OF GOODS IN TORES AND EQUIPMENT AT OTHER FACTORIES. MOST STRIKING OMISSION IS THE IMPALA MOTEL, THE SCHNE OF MUCH ACTIVITY THROUGH OUT THE WAR, WHOSE OWNER ESTIMATES HIS LOSS AT ONE MILLION ZAIRES(\$1.2 MILLION) THE REPORT ALSO OMITTS
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PAGE 06 STATE 199738

MENTION OF DAMAGE OR LOSSES IN THE CITES SURROUNDING KOLWEZI. WHILE LESS EXTENSIVE THAN IN THE TOWN MANY HOUSES IN THESE AREAS WRE SHOT UP AND PEOPLE DEPRIVED OF THEIR POSSESSIONS, MORE EXACT REPORT OF DAMAGE MAY BE FORTHICOMING IN FUTURE WEEKS, BUT OVERALL TOTAL WILL PROBABLY NOT BE GREATLY DIFFERENT FROM THIS FIRST ESTIMATE.

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